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Prospects for Iran

Interagency Intelligence Memorandum

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KEY JUDGMENTS

The ruling clerics in Iran have largely consolidated their control and should be able to maintain power during the period of this estimate:

- Organized resistance in Iran has been weakened substantially, although violence continues. The Islamic socialist Mujahedin, leader of last summer's terrorist campaign, was crushed through brutal regime repression. Other internal dissidents have been similarly contained or forced into silence. Except for the Kurds, ethnic minorities are quiescent, and even Kurdish fighters are on the defensive.
- Even if the fractious Iranian exile leaders were willing to unite, they would probably still lack adequate popular support inside Iran to challenge the regime.
- The war has raised the status of the regular military, ensuring its separate existence for the foreseeable future, but the regime remains suspicious, and additional purges are likely. The Revolutionary Guard, a power in its own right, provides the regime with an effective counterbalance to the regular military.

The struggle for political power is now centered exclusively among the ruling clerics. They seem well aware that controlling their differences is crucial for the survival of the Islamic Republic. Each faction has supporters within the regular and paramilitary forces whose loyalties could trigger violent confrontations if clerical rivalries slip out of control after Khomeini's death.

- The struggle centers on the ruling Islamic Republic Party, on activist clerics in Qom, and on several others whose personal ties to Khomeini and power bases in revolutionary organizations allow them to operate with some independence.
- The clerics know that arranging a smooth succession to Khomeini will solidify their consolidation. They have yet to agree on a nominal heir or heirs, but real power is likely to be held in any event by the main factional leaders in the government and revolutionary institutions.

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The ruling clerics are in agreement on the principle of clerical rule and on broad policy goals. Their disagreements, centering on personal rivalry and on differing interpretations of Shia doctrine, are not likely to threaten the regime within the time frame of this estimate.

The clerics have moved on a broad front to ensure the continued support of the urban lower classes, the core of Khomeini's power base.

- They have exploited and expanded extensive nationwide religious and revolutionary networks that provide essential goods and services to the poor. Such networks also manage pervasive propaganda and domestic intelligence-gathering programs, and direct the activities of the ubiquitous Revolutionary Guard.

The clerics have advanced their program of fundamental social reorganization of Iran. We expect their efforts to impose strict Islamic law, eradicate Western cultural influences, and create a more egalitarian society to quicken over the next year.

The clerics' ultimate success may depend largely on their management of the economy where severe problems remain. The regime seems more attentive to these problems now and is stressing self-sufficiency and diversified foreign trade. Still, given the regime's ideological goals and clerical interference, we do not expect much improvement over the next year. Unresolved economic problems could ultimately lead to a weakening of lower class support for the regime.

The war with Iraq has so far rallied support for the regime. Even if Tehran's invasion of Iraq bogs down, the clerics will retain power. Clerical infighting will intensify, however, over how to achieve the revolution's domestic and foreign goals.

Soviet-Iranian relations remain strained despite the increase in economic and military dealings. Significant improvement in bilateral relations over the next year is unlikely.

The Iran-Iraq war has complicated Soviet policy in the Persian Gulf region. The Soviets have criticized the Iranian drive into Iraq, but realize they have very little leverage over the situation. Moscow is not likely to take any steps in an attempt to halt the invasion that would risk jeopardizing its chances for future gains in Iran. Moscow probably still hopes to see a negotiated settlement that undermined Saddam and led to his replacement by a pro-Soviet figure.

Soviet policy toward Iran acknowledges the preeminence of the Khomeini regime inside Iran and gives priority to the improvement of

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bilateral relations, but the Soviets will continue to develop their covert assets. Soviet ties to leftist elements among the minorities give the USSR limited influence and some assets in place. Tudeh, the pro-Moscow Communist Party, lacks significant popular backing and has faced growing government repression over the past year. Under these circumstances, Moscow almost certainly believes that Tudeh and its other assets in Iran will be unable over the next year to mount a successful challenge to the government.

The presence of substantial Soviet military forces on Iran's northern border is a major asset that gives the USSR the capability to influence US policy decisions and to intervene. Nonetheless, it is highly unlikely that the Soviets will intervene militarily in Iran in the next year. There are circumstances, however, under which the Soviets might consider introducing forces into Iran. These include: a perceived threat of a US military move into Iran, a seizure of power by a leftist coalition that sought their assistance, or a collapse of the government in Tehran with no clear successor regime emerging. Short of actual use of force by Moscow, the Khomeini regime's policies are not likely to be influenced by Soviet military pressure. Tehran's intense hostility toward the United States is likely to continue through the next year and beyond. The Iranians' suspicions of US intentions toward their regime are unlikely to ease. Demonstrations of US resolve in the Persian Gulf region are unlikely to forestall Iranian attempts to promote Islamic revolution in the Gulf, but could lead the clerics to consider more cautiously direct military efforts to achieve their aims. Therefore, in the Gulf Tehran is likely to pursue its objective of regional predominance primarily through subversion, threats, and diplomacy.